



February 22, 2021

Update from Ranking Member Blaine Luetkemeyer: The White House Announces Changes to PPP

On Monday, February 22, 2021, the Biden-Harris Administration announced multiple changes to the Paycheck Protection Program (PPP). The Small Business Administration (SBA) will institute the following changes:

- Restrict the PPP for 14-days, beginning on Wednesday, February 24, 2021, for small businesses with 20 employees or less
- Amend the PPP loan calculation for independent contractors, sole proprietors, and self-employed individuals
- Retool PPP eligibility for those with a criminal history by reducing restrictions on those with non-financial related crimes
- Update PPP guidance for green card and visa holders
- Remove restrictions for small business owners who are delinquent on student loan payments

As of Sunday, February 21, 2021, the SBA's own data for this round of funding showcases that there have been approximately 1.9 million PPP loans disbursed for a total of \$140 billion in lending. The average PPP loan size is just over \$73,000.

Of the 1.9 million PPP loans during this round of funding, 1.5 million went to small businesses with 10 or fewer employees.

In total, over 70 percent of all PPP loans during this round of funding were for \$50,000 or less.

Plain and simple, the program is open and serving all small businesses that are interested in receiving a PPP.

Restricting the next 14-days to small businesses with 20 or fewer employees is unnecessary and a solution in search of a problem.

Beyond arbitrarily restricting the program, further changes to eligibility and loan calculations make the program more susceptible to waste, fraud, and abuse.

Unfortunately, details about these changes remain limited. If you and your office have questions, please do not hesitate to reach out to the Committee.

A handwritten signature in black ink, which appears to read "Blaine Luetkemeyer", followed by a horizontal line.